

Message Text

CONFIDENTIAL

PAGE 01 CAIRO 07310 291753Z
ACTION NEA-10

INFO OCT-01 ISO-00 SSM-03 AID-05 OMB-01 TRSE-00 EB-08
CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IGA-02
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FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 4518

C O N F I D E N T I A L CAIRO 7310

EO 11652: GDS
TAGS: EAID, ECON, IBRD, EG
SUBJ: EGYPT'S FIVE YEAR PLAN: ABDEL MEGUID'S VERSION

REF CAIRO 6956

1. AS DEPT IS PERHAPS AWARE, ONE OF MANY REASONS FOR
REPLACEMENT OF MINPLAN EL IMAM BY ABDEL MGEUID WAS NECSSSITY/
UTILITY OF HAVING A DEVELOPMENT DOCUMENT FOR PRESENTATION TO
AND CONSIDERATION BY IBRD'S CONSULATIVE GROUP AT ITS INITIAL
MEETING IN MAY. EL IMAM WAS UNABLE TO PRODUCE ANYTHING;
ABDEL MEGUID HAD ALREADY PREPARED "MACRO-ECONOMIC FRAMEWORK"
PAPER FOR DISTRIBUTION BY BANK TO MEMBERS OF CG, HAD DONE
SO IN RECORD TIME, AND IS DYNAMIC AND ACTION ORIENTED EXTROVERT.

2. NECESSITY FOR MOVE BECAME OBVIOUS,AS WE UNDERSTOOD IT,
WHEN IBRD TOLDKAISSOUNI IN WASHINGTON THAT EXISTENCE OF A PLAN
OF SOME SORT WAS AN ABSOLUTE MUST IF BANK WAS TO MOVE
FORWARD WITH ARRANGEMENTS FOR CG. ABDEL MEGUID, ARMED WITH
HIS OWN EXPERIENCE IN THE SUBJECT MATTER AND HIS KNOWLEDGE
OF WHAT OTHERS HAD ALREADY DONE, REPORTEDLY CLOSETED HIMSELF
WITH IMF AND IBRD REPORTS AND COMPUTER RUNS FOR A PERIOD OF
A FEW DAYS, AND RESULT WAS COMMENDABLE DEVELOPMENT STRATEGY
PAPER WHICH BANK AS SINCE SENT OUT. IMF REP GERHARDT SAYS FIRST
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PAGE 02 CAIRO 07310 291753Z

PART OF PAPER "DRAWS HEAVILY" ON LETTER OF INTENT TO FUND,
AND BANK VP BENJENK TOLD US THAT IBRD HAD REFUSED, DESPITE
REPEATED REUQUESTS, TO ASSIST IN ITS PREPARATION: "THEY
WANTED US TO DO IT ALL". BOTH MEN, HOWEVER, SHARE GENERAL
REACTION THAT MEGUID DID A FIRST CLASS JOB.

3. LARGER TASK WITH WHICH HE HAS NOW CHARGED IS PREPARATION

OF A PLAN IN CONSIDERABLY GREATER DEPTH, WHICH CAN SERVE AS SOMETHING MORE THAN AN EXCELLENT BUT GENERALIZED DISCUSSION OF WHERE EGYPT IS, HOW IT GOT THERE, AND WHERE IT HOPES TO GO. ABDEL MEGUID HAS CHARACTERISTICALLY DOWNPLAYED MAGNITUDE OF THE UNDERTAKING, AND HAS INDICATED THAT THE WORK IS ALREADY DONE. AT PRESS CONF ON 23 APRIL, HE TOLD ASSEMBLED JOURNALISTS THAT BULKY ENVELOPE LYING ON TABLE IN FRONT OF HIM WAS EGYPT'S FIVER YEAR PLAN, BUT IT COULD NOT BE MADE AVAILABLE TO THEM UNTIL IT HAD BEEN GIVEN TO MEMBERS OF CG. GERHARDT SAYS HE IS A LITTLE SUSPICIOUS ABOUT STATUS OF MEGUID'S EFFORTS WITHIN GOE, SINCE MEGUID HAS CONFIDED HE DID MOT OF IT HIMSELF AND MOSTLY BEFORE HE BECAME MINISTER. (AS DEPMINPLAN LAST YEAR, MEGUID WAS ASSIGNED FULL TIME RESPONSIBILITY BY EL IMAM FOR PREARING PLAN, AND CONTINUED THE EFFORT AS ADVISOR TO PM SALEM, SO HE IS HARDLY A NEWCOMER TO THE SUBJECT.)

4. COMMENT: ALTHOUGH IT WOULD BE A DEVELOPMENT OF MONUMENTAL SIGNIFICANE, IT IS CONCEIVABLE THAT MEGUID MAY BE ABLE TO BREAK STALEMTE THAT HAS KEPT EGYPT'S PLAN IN STATE OF DYNAMIC EQUIVOCATION SINCE WELL BEFORE 1976 - 80 PERIOD IT WAS SUPPOSED TO COVER; HE IS JUST THAT KIND OF PERSON AND AT PERHAPS JUST THE RIGHT TIME, GOE, AT WHATEVER LEVEL, HAS BEEN UNABLE TO WORK OUT HOW IT INTENDS TO ACHIEVE GENERAL GOALS THAT HAVE BEEN SET FOR 1980 (ALTHOUGH FULLY DEVELOPED "EGYPT IN THE YEAR 2000" WAS PRESENTED TO SADAT THIS WEEK), AND IF MEGUID CAN PULL TOGETHER A MEANINGFUL DOCUMENT, DRAWING HEAVILY ON MATERIALS PREPARED BY OTHERS AND ACHIEVING SOME FORM OF BALANCE IN THE FORCES INVOLVED, MAYBE IT WLL BE CONFIDENTIAL

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PAGE 03 CAIRO 07310 291753Z

IMPLEMENTED, FAUT DE MIEUX.

5. THIS HAVING BEEN SAID, IT SHOULD BE NOTEDTHAT ONE OF CONCERNS OF BANK, AND OTHRS, IS THAT DOCUMENTS SUCH AS LETTER OF INTENT AND MACRO-ECONOMIC FRAMEWORKS DO NOT NECESSARILY HAVE BLESSINGS OF TOP LEADERSHIP EVEN THOUGH THEY ARE PREPARED BY COMPETENT PEOPLE IN POSITONS OF RELATIVE AUTHORITY (KAISSOUNI, MEGUID, ET AL). THIS WAS REASON FOR BENJENK'S DESIRE TO HAVE LETTER FROM SADAT TO MCNAMARMA (CAIRO 6380).

6. ADDITIONAL CONCERN IS REFLECTION OF DOUBT AS TO HOW NUMBERS IN VARIOUS FORECASTS PREPARED BY GOE, AND USED BY IBRD, HAVE BEEN DEVELOPED. THEY HAVE BEEN GENERALLY DESCRIBED AS SOME WHAT OPTIMISITIC IN TERMS OF GROWTH RATES, EXPORTS, DEFICITS, ETC, AND WHILE THIS IS COMMENDABLE IN TERMS OF OBJECTIVES, GOE MAY FACE DIFFICULT CHOICES FOR ALTERNATIVE COURSES OF ACTION IF HIGH TARGETS ARE NOT MET. FURTHER, POTENTIAL DISSILLUSIONMENT OF DONORS, ESPECIALLY ARABS, OVER PEFORMANCE MEASURED AGAINST OBJECTIVES CANNOT BE IGNORED. WE TEND TO

BELIEVE MEGUID WILL PROVIDE CG WITH A USEFUL AND INTELLIGENT
PRESENTATION AS A STARTING PLACE, BUT AS SUGGESTED REFTTEL
PARA 8, WE BELIEVE GOE SHOULD BE URGED TO PREPARE ALTERNATIVE
PROJECTIONS, WITH CLEARLY DEFINED POLICIES SET OUT FOR EACH.
EILTS

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Message Attributes

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Concepts: PERSONAL OPINION, FIVE YEAR PLAN
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Errors: N/A
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vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/003db2a5-c288-dd11-92da-001cc4696bcc
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